

December 19, 2022

Re: Developer's HOA Assessments For Maintenance

To Whom It May Concern:

The City of Dover has been receiving inquiries about the assessments charged by the Dover Bay Property Owner's Association ("DBPOA") for trails, parks and streets within the Dover Bay Planned Unit Development ("PUD").

When Dover Bay was created in 2004/2005, the development was negotiated between the City of Dover; the developer, Waterfront Property Management, LLC; and the owner of the property, Dover Bay Development, Inc. At the time the City was considering the project, the developer proposed to create a homeowner fee in order to pay for the maintenance costs of parks, roads and trails, until such time as those facilities could be turned over to the City. The 2005 development agreement between the City, owner and developer specifies the creation of the fee and the fact that it is a voluntary fee created by the developer:

18. Assessments For Maintenance.

An assessment upon property value for maintenance, in addition to property taxes, is voluntarily established by the Developer for maintenance of the roads, trails, and parks within the PUD. The rate shall be based upon actual maintenance costs and shall be reviewed annually by Developer and the City, consistent with the covenants, conditions, and restrictions as declared by the Developer. The funds shall be proportionately divided between the Developer and the City based upon their respective obligations.



In 2007, the Developer provided a status update to the City on this issue:

An assessment upon property value for maintenance, in addition to property taxes, has been established by the Developer for maintenance of the roads, trails, and parks within the PUD. At this time, the Developer has undertaken all such maintenance pending future allocations with the City. The current maintenance allocation for the City Beach needs addressed.

See Development Agreement Status Report, June 2007.

While the City is aware that the developer created the fee, the City has not participated in the fee nor received any revenue from the fee. None of the annual maintenance fee goes to the City.

During the last several years, the City has reached out multiple times to the developer and the Dover Bay Property Owner's Association about dedication of certain parks, trails and streets to the City.